

A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Tuesday, January 10, 1939, at 10:30 a. m.

PRESENT: Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. McKee
Mr. Davis
Mr. Draper

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary
Mr. Clayton, Assistant to the Chairman
Mr. Thurston, Special Assistant to the Chairman
Mr. Goldenweiser, Director of the Division of Research and Statistics
Mr. Dreibelbis, Assistant General Counsel
Mr. Piser, Senior Economist in the Division of Research and Statistics

Reference was made to a memorandum on the subject of the Government Security Market and the System Open Market Account which had been prepared by Mr. Piser under date of December 9, 1938, and copies of which had been sent to the members of the Board. It was agreed that the memorandum should be given further study by the members of the Board and that it should be held on the docket for consideration by the Board at a convenient time approximately thirty days from this date.

There was also presented a memorandum dated January 9, 1939, from Mr. Goldenweiser, reading as follows:

"In the past the Annual Report has been issued in two editions -- the first giving the text of the report

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"with, in recent years, records of policy actions, and the second giving in addition various other appendix material and detailed tables of banking and business statistics. Because of the time required to compile and print these tables there has generally been several months interval between the publication of the two editions of the report.

"I should like to suggest that this procedure be abandoned and that in the future only one edition of the report be issued, omitting the detailed statistical tables. I should further propose that the Board publish a statistical manual giving information generally published in the Annual Report with much more detail for earlier years. This manual would need to be published only about once every five years; up-to-date figures could be given each year in special tables published in the Bulletin. It would serve a useful purpose in having in one place all available back figures of important material.

"This procedure would permit publication of the complete edition of the Annual Report at a much earlier date in the year than has heretofore been possible. Attached is a proposed form for the Annual Report for 1938. It would include, in addition to the usual text, practically all of the appendix material that has been given in previous annual reports, and a few tables covering condition, earnings, and operations of Federal Reserve banks, discount rates, factors affecting member bank reserve balances, and brief summary tables on condition of member banks and business statistics. The only appendix material excluded would be statistics of deposits, loans, investments, and capital of individual State member banks as of the end of the year. This information would not be available in time for publication in the report, but could be published later in some suitable form. End-of-year figures, rather than those of some other date, are desirable because of some of the uses made of this information.

"In case inclusion of even this reduced amount of material should delay publication of the Report, the text, together with the records of policy action and recommendations of the Advisory Council, could be printed in a special press edition to be given to Congress and released for publication a week or two before the final printed edition is available."

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Mr. Goldenweiser stated that if the suggestion that only one edition of the annual report be published and that a statistical manual be issued is approved, every effort would be made to institute this practice with the 1938 Annual Report. During the ensuing discussion it was agreed that the procedure proposed by Mr. Goldenweiser should make the statistical information contained in previous editions of the annual report available more promptly and in a more uniform and convenient form and probably would result ultimately in less expense to the Board than the procedure now in effect.

At the conclusion of the discussion, Mr. Davis moved that approval be given by the Board to the proposed procedure with the understanding that the details with respect to the form and publication of the statistical manual and of supplements thereto, as well as the inclusion of current figures in the Federal Reserve Bulletin will be subject to such further consideration as may be found to be desirable.

Carried unanimously.

Mr. McKee inquired of Mr. Goldenweiser as to the nature of the report recently made to the President by the Central Statistical Board, of which Mr. Goldenweiser is a member, with respect to the elimination of duplication in the statistical information being gathered by the various departments and agencies of the Government. Mr. Goldenweiser stated that the report recommended (1) against the creation of a central statistical office for the reason that it was felt that statistical

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information should ordinarily be collected by the agency which uses the information in connection with its activities and that if the data were collected by another group there would be a loss of efficiency, (2) that authority be given to the Central Statistical Board to make recommendations to the President relating to the discontinuance of the collection of the same kind of statistical information by more than one agency, and (3) that the primary responsibility for collecting statistics of a given kind be assigned to a specific department or agency.

On yesterday, January 9, 1939, Mr. Goldenweiser sent a draft of material for the Board's annual report to each member of the Board. It was agreed that the draft should be made the special order of business for a meeting of the Board to be held on Friday, January 13, 1939, at 2:30 p. m.

At this point Messrs. Thurston, Goldenweiser, Dreibelbis and Piser left the meeting and the action stated with respect to each of the matters hereinafter referred to was then taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on January 9, 1938, were approved unanimously.

Bond, in the amount of \$100,000, executed under date of January 4, 1939, by Mr. Thomas B. McCabe as Federal Reserve Agent at the Federal

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Reserve Bank of Philadelphia.

Approved unanimously.

Bond, in the amount of \$100,000, executed under date of January 5, 1939, by Mr. Robert B. Caldwell as Federal Reserve Agent at the Federal Reserve Bank of Kansas City.

Approved unanimously.

Thereupon the meeting adjourned.

Chester Morie
Secretary.

Approved:

Robert B. Caldwell
Vice Chairman.